

Message Text

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C O N F I D E N T I A L CANBERRA 6651

EO 11652: GDS

TAGS: MARR, MASS, AS, US

SUBJ: AUSTRALIAN PROCUREMENT OF MILITARY HARDWARE

1. IN THE COURSE OF A CALL ON SIR ARTHUR TANGE, SECRETARY OF DEPARTMENT OF DEFENSE, I INQUIRED ABOUT GOA PLANS FOR PROCUREMENT OF MAJOR ITEMS MILITARY HARDWARE. I NOTED OUR UNDERSTANDING THAT GOA HAD LONG BEEN CONSIDERING PURCHASE OF TANKS, DESTROYERS, MARITIME PATROL AIRCRAFT, AND AIR SUPERIORITY FIGHTER AIRCRAFT.

2. IN RESPONSE TANGE MADE COMPREHENSIVE PRESENTATION ON MAJOR GOA CONSIDERATIONS AND STATUS OF REVIEW. HE NOTED THAT WHITLAM GOVERNMENT WAS OPERATING ON ESTIMATE OF NO IDENTIFIABLE SECURITY THREAT FOR TEN TO FIFTEEN YEARS, WHICH OF COURSE HAD MEANT A REDUCED DEFENSE BUDGET FOR FY74 AND POSTPONEMENT OF SOME PROCUREMENT PLANS. FOR FY75 HE WAS CONFIDENT THAT THERE WOULD BE SUBSTANTIAL INCREASE IN DEFENSE BUDGET, ALTHOUGH AN INCREASE LESS THAN PROPORTIONAL TO GROWTH EXPECTED IN GNP AND GOVERNMENT REVENUES. (GOVERNMENT HAS SUSTAINED MUCH CRITICISM FOR REDUCTION OF FY74 DEFENSE BUDGET FROM PREVIOUS 3.3 PERCENT TO ABOUT 2.8 PERCENT OF GNP.)

3. TANGE SAID THAT DIFFICULTY IN IDENTIFYING POTENTIAL SECURITY THREAT NATURALLY AGGRAVATED PROBLEMS OF
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SELECTING MOST DESIRABLY EQUIPMENT. HOWEVER, LONG LEAD

TIME IN THESE MATTERS, INCREASING OBSOLESCENCE OF MUCH AUSTRALIAN EQUIPMENT, AND IMPORTANCE OF NEW EQUIPMENT AS MORALE FACTOR IN THE ARMED FORCES SPURRED PROCUREMENT DECISIONS. ROLE OF AUSTRALIAN INDUSTRY WAS ANOTHER KEY ELEMENT.

4. TANGE WAS VAGUE ON TIMING AND SUGGESTED THERE MIGHT BE NO DECISIONS ANNOUNCED PRIOR TO END FY74, ALTHOUGH TANK AND DESTROYER ANNOUNCEMENTS MIGHT COME BY THAT TIME. ON INDIVIDUAL ITEMS, HE WAS RATHER CAUTIOUS AND DISCREET. HE SAID THAT TANK DECISION WAS BETWEEN US M-60 AND GERMAN LEOPARD. ON DESTROYERS, THE AUSTRALIAN DDL PROGRAM WAS DEFINITELY REJECTED AS TOO EXPENSIVE AND THE US PATROL FRIGATE WAS A SERIOUS CONTENDER. MINISTER BARNARD INTENDED TO STUDY THIS VESSEL WHEN IN THE US NEXT MONTH. ALTHOUGH RAAF HOPED TO REPLACE ALL 12 OF ITS NEPTUNE LONG-RANGE MARITIME PATROL AIRCRAFT, COMPROMISES WERE ALWAYS NECESSARY AND TANGE EXPECTED FEWER THAN 12 WOULD BE PURCHASED. ON AIR SUPERIORITY FIGHTERS, HE SAID ONLY THAT SEVERAL US MODELS WERE AMONG OBVIOUS CANDIDATES.

5. AT SEVERAL POINTS IN CONVERSATION TANGE STRESSED IMPORTANCE HE AND AUSTRALIAN MILITARY ATTACHED TO STANDARDIZATION OF AUSTRALIA'S WEAPONS SYSTEMS WITH THOSE OF US.

6. COMMENT: WHILE CONVERSATION DID NOT SHED MUCH NEW LIGHT ON PROCUREMENT SITUATION, MY VISIT MAY HAVE SERVED A PURPOSE IN ADVANCING OUR POLITICAL, MILITARY AND BALANCE OF PAYMENTS INTEREST IN THIS SUBJECT. MISSION OFFICERS RESPONSIBLE FOR ARMY STANDARDIZATION AND FOREIGN MILITARY SALES WILL CONTINUE TO FOLLOW UP ON THESE MATTERS.
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